

Message Text

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C O N F I D E N T I A L STATE 186862

FOR ASSISTANT SECRETARY LEWIS

FOL REPEAT LONDON 11643 ACTION SECSTATE INFO THE HAGUE

DUBLIN LUXEMBOURG PARIS ROME COPENHAGEN BONN EC BRUSSELS

NATO 27 JUL.

QUOTE

C O N F I D E N T I A L LONDON 11643

E.O. 11652: XGDSAQ

TAGS: EFIN, EEC

SUBJECT: EC COMMISSION PROPOSALS TO RESOLVE CIEC IMPASSE

REF: (A) STATE 184196, (B) STATE 184195, (C) EC BRUSSELS

7275, (D) LONDON 11577, (E) ECBRUSSELS 7344

1. LATE ON JULY 26 ECON COUNSELOR CALLED ON STATHAM, THE DEPUTY UNDER SECRETARY IN THE FOREIGN OFFICE WHO WILL HEAD THE BRITISH DELEGATION TO THE "AD HOC EXPERTS GROUP" WHICH WILL BE MEETING IN BRUSSELS IN THE AFTERNOON OF JULY 27, TO DISCUSS THE PROBLEMS RAISED BY THE COMMISSION'S PROPOSALS REGARDING THE CIEC IMPASSE. (EARLIER IN THE AFTERNOON WE DISCUSSED THE SAME SUBJECT WITH BUIST AN OVERSEAS DEVELOPMENT MINISTRY UNDER SECRETARY WHO WILL
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ALSO BE ATTENDING THE MEETING; BUIST'S COMMENTS WERE

IDENTICAL TO STATHAM'S.) A COPY OF PARAS 4 - 6 OF
REF (A) WAS GIVEN TO STATHAM; WE ALSO WENT OVER THE US
PROBLEMS WITH THE G-19 DRAFT, AS STATED IN PARAS 4 - 7
OF REF (B), IN DETAIL.

2. STATHAM RESPONDED THAT THE BRITISH POSITION IS UN-
CHANGED FROM THE ONE REPORTED LAST WEEK, OF REFUSAL TO
MAKE A PRIOR COMMITMENT TO DEBT RELIEF. EVEN SHOULD
BRITISH OFFICIALS WANT TO SHIFT THIS POSITION--WHICH
THEY DO NOT--IT WOULD BE IMPOSSIBLE TO DO SO FOR THIS
WEEK'S EC MEETINGS. MINISTERS WILL BE WILL BE REVIEWING THE
SHOLE COMPLEX OF NORTH-SOUTH ISSUES -- BUT THIS REVIEW
BEGINS NEXT WEEK.

3. THE BRITISH, STATHAM SAID, SHARE OUR PROBLEMS WITH
THE G-19 DRAFT AND FROM WHAT THEY KNOW OF THE COMMISSION
PROPOSALS, THOSE PROPOSALS DON'T MAKE MUCH USEFUL IM-
PROVEMENT IN THE G-19 DRAFT. THEY ALSO SHARE OUR VIEW
THAT DEBT RELIEF IS THE PRIMARY G-19 OBJECTIVE, AND THAT
THE INDEXATION ISSUE HAS BEEN THROWN IN AS A MAKEWEIGHT.
FINALLY, THEY AGREE WHOLEHEARTEDLY THAT THE G-8 MUST
STICK TOGETHER ON THIS ISSUE.

4. UNFORTUNATELY, IN STATHAM'S VIEW, THE EC MEETINGS
THIS WEEK ARE UNLIKELY TO PRODUCE AGREEMENT, THE DUTCH
VIEWS ARE FIRMLY HELD. STATHAM FELT THAT FRANCE WAS THE
WILD CARD, TN THAT THE FRENCH TREASURY SHARES THE US/UK
STRESS ON THE UNACCEPTABILITY OF A COMMITMENT TO
IMMEDIATE DEBT RELIEF, WHILE THE FRENCH FOREIGN MINISTRY
US MAINLY CONCERNED TO MAKE A "SUCCESS" OUT OF CIEC,
EVEN IF THIS INVOLVES YEIELDING TO THE G-19 ON IMPORTANT
ISSUES OF PRINCIPLE.

5. LOOKING STILL FURTHER AHEAD, STATHAM, WHILE AGREEING
THAT IT WAS BETTER NOT TO HAVE CIEC MEETINGS IN
SEPTEMBER IF THE PRICE FOR THEM IS UNACCEPTABLE,
WONDERED WHETHER IT WOULD THEN BE POSSIBLE TO WIND UP
CIFC'S WORK BY THE END OF THE YEAR. (HIS FEARS, SHARED
BY OTHER BRITISH OFFICIALS, STEM IN PART FROM WORRIES
ABOUT THE ADDITIONAL STAFFING BURDEN BRITISH ASSUMPTION
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OF THE EC PRESIDENCY WILL PLACE ON THE UK BUREAUCRACY
DURING THE FIRST HALF OF 1977; IN PART FROM A FEELING
THAT MINISTERS, WHILE NOT NECESSARILY ENTHUSIASTIC ABOUT
OIEC, WILL NOT WANT TO SEE IT "BLOW UP" OR EVEN FAIL TO
END ON TIME.) HE WONDERED WHAT SORT OF LANGUAGE THE US
COULD CONTEMPLATE, PER PARA 6 OF REF (A), TO ALLOW THE
G-19 TO AIR THEIR VIEWS WITHOUT THIS ENTAILING ANY G-8
ADVANCE COMMITMENT. FINALLY, "THINKING OUT LOUD," HE

WONDERED JUST HOW MUCH "GIVE" THERE IS IN THE US POSITION,
AND, PARTICULARLY, WHETHER THE USG WILL BE IN A POSITION
TO MAKE MAJOR DECISIONS ON THIS SUBJECT DURING THE LAST
MONTHS OF 1976. ARMSTRONG

UNQUOTE KISSINGER

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